Health Benefit Exchange Authority Standing Advisory Board Meeting

FINAL MINUTES

Date: July 26, 2016
Time: 10:00 AM
By Conference Call Only
Call- in Number: 1-877-668-4493; access code 735 665 405
NOTE: There will be a demonstration via webex for the second agenda item. To access that presentation, click the link below from your computer (or cell phone) internet browser: Join WebEx meeting

Members Present: Chile Ahaghotu, Dave Chandrasekaran, Kevin Dougherty, Laurie Kuiper, Claire McAndrew, Jill Thorpe
Absent: Chris Gardiner, Billy MacCartee, Dania Palanker

I. **Welcome, Opening Remarks and Roll Call**, *Claire McAndrew, Vice-Chair*

Ms. MsAndrew called the meeting to order at 10:03 a.m. A roll call of members present confirmed that there was a quorum with six members present (Dr. Ahaghotu, Mr. Chandrasekaran, Mr. Dougherty, Ms. Kuiper, Ms. McAndrew, Ms. Thorpe).

II. **Approval of Agenda**, *Claire McAndrew, Vice-Chair*

The draft agenda was approved, with Dr. Ahaghotu, Mr. Chandrasekaran, Mr. Dougherty, Ms. Kuiper, Ms. McAndrew, and Ms. Thorpe voting yes.

III. **Approval of Minutes**, Draft Minutes from June 30, 2016 Meeting, *Claire McAndrew, Vice-Chair*

This item was passed as the draft minutes bore the wrong date.

IV. **Discussion Item and Public Comment**, DRAFT Network Adequacy Recommendation, *Claire McAndrew, Vice-Chair*

Ms. McAndrew stated that at its last meeting, the Board had discussed the charge it received from the Executive Board to look at the issue of network adequacy. The topic has been of national interest, including the adoption

of amendments to the Health Benefit Plan Network Access and Adequacy Model Act by the National Association of Insurance Commissioners (NAIC). After the last meeting, Ms. McAndrew crafted a draft recommendation that is now before the Board. The purpose is to flesh out a framework for network adequacy standards built on the foundation of the NAIC model and other states' provisions. These provisions are critical to the health of the market in the District. They will ensure that health insurance consumers in the District have sufficient and timely access to providers, comprehensive and accurate information about medical providers in provider directories, and continuity of care when in the course of active treatment and the provider leaves the network. The issue of surprise medical bills is also encompassed on the draft recommendation. The recommendation notes those issues as very important, but the recommendation is that the District examine the entire NAIC model act in review of network adequacy standards. All of these sub-issues of network adequacy were discussed at the last meeting by Board members and raised by interested parties.

Ms. McAndrew then walked through the draft recommendation.

Ms. Thorpe stated that she knew some aspects of network adequacy would need to be addressed through rulemaking. However, she wondered about lack of access and lack of transparency. For example, a plan, might list 10 specialists in a certain area, but when you call you find that they do not exist anymore or the specialist is not within that particular office. At the end of the day there is a shortage of providers, and reduced numbers of providers translates into higher provider charges that increase premiums. She wondered how to increase the supply of providers and is that a future policymaking issue.

Ms. McAndrew asked if she thought it would be helpful to get a handle on what we have in the District so that it could be opened up later for future policymaking discussions. Ms. McAndrew thinks that right now, we do not have a handle on the accuracy of each network.

Ms. Thorpe asked if we could get accurate data, a ratio such as the number of physicians by specialty in a network divided by the total number of physicians in that specialty, then we would have a good way of comparing plan by plan. However, it might not be the solution to improving adequacy.

Ms. McAndrew said everything we are doing now is foundational to potential future work.

Dr. Ahaghotu thought the draft recommendation was a great framework for structuring policy around network adequacy standards. One area he would like more input from fellow Board members is defining provider quality standards based on national benchmarks. He saw that the draft recommendation in section 1) j. and k. referenced any standards adopted by CMS and other states, but he wondered specifically about provider quality standards.

Ms. McAndrew thought it could be included in the framework, but the draft recommendation is meant to be very broad, but inclusive of that type of effort. The draft recommendation certainly does not preclude that type of effort later. Dr. Ahaghotu agreed that the work of the Board at this moment was to have a broad recommendation.

Purvee Kempf, General Counsel and Chief Policy Advisor, noted that the NAIC model does have a general section on carriers selecting provider and selection standards and tiering criteria, which may get at what Dr. Ahaghotu was discussing.

A board member asked Ms. Kuiper about the carrier perspective on the NAIC model negotiation process and consensus adoption. Ms. Kaiser said that Kaiser Permanente supported the NAIC model, at least the language in the model itself and not necessarily all the drafting notes and commentary. The model went through as lengthy stakeholder process with lots of input, and at times it was a struggle to reach consensus. She reiterated that Kaiser was comfortable with the model itself, but not comfortable with drafting notes talking about specific metrics for network adequacy standards. The way Ms. McAndrew drafted the recommendation is something that Kaiser can support.

Ms. Kuiper wondered how this resolution will be considered, assuming it is adopted by the Executive Board. She assumed it would be sent to the Insurance Commissioner.

Ms. McAndrew said yes, the Commissioner has an interest in this issue, so it would be shared with him. At some point it might be shared with the District more broadly. It will be made public. It is an advisory document.

There was some discussion about the tone of the recommendation since it is an advisory document. Ms. Kempf clarified that the recommendation is from the SAB. A Resolution based on the recommendation, from the Insurance Market Committee, will be drafted by HBX staff for the Executive Board to consider. In so drafting, it can be made clear it is a recommendation and not any kind of directive. She also clarified that the exchange only affects the individual and small group markets, while the NAIC model affects all markets, including large group.

Mr. Dougherty asked if the Commissioner could do a regulatory change or does it have to go to Council. Ms. Kempf said the Insurance Commissioner had attended that Insurance Market Committee meeting and announced that DISB is looking at its regulatory authority to see what can be done through regulation or what might have to go to Council. Mr. Dougherty thought that the recommendation was a good framework. He thought more detailed work, such as physical access to doctors' offices, could be tackled later.

V. Public Comment on Network Adequacy

No public comment was proffered.

VI. Vote

It was moved and seconded to approve the DRAFT Network Adequacy Recommendation, with Dr. Ahaghotu, Mr. Chandrasekaran, Mr. Dougherty, Ms. Kuiper, Ms. McAndrew, and Ms. Thorpe voting yes.

VIII. **Discussion Item and Public Comment, Demonstration of a DC Health Link Pharmacy Search Tool,** *Consumers' Checkbook/Center for Study of Services, Eric Ellsworth*

Consumers' Checkbook (CC) presented on a new pharmacy search tool. (Please forward to 42:00 of the audio recording.)

Debra Curtis, Senior Deputy Director, said that the goal is to have the tool available as soon as August, beta test it, and make any changes before open enrollment starts on November 1. She asked for any input from the Board if they played around with the tool.

Ms. Thorpe thought the tool was good. She asked about the far right column with the doctors. She asked about the challenges with the information being accurate, and wondered what CC thought about it versus other jurisdictions in which it works.

Mr. Ellsworth said that CC does a lot of cleaning up the information and cross-referencing of a variety of sources to ensure the most accuracy possible. However, ultimately only the carrier can validate whether a provider is in network.

Ms. McAndrew thanked CC for the presentation. She asked when a prescription drug has a coinsurance, how does CC estimate the cost to the consumer? Mr. Ellsworth said there was a fair amount of complexity in getting to the projected annual cost to the consumer. CC does incorporate prescription drugs into the underlying estimate. The emphasis is on the higher cost drugs that make a real difference in the cost to the consumer, and it incorporates high and low usage scenarios. Ms. McAndrew asked, essentially, what is the margin of error? She is interested in price transparency. Mr. Ellsworth said the short answer is that it is an actuarial estimate that incorporates multiple usage scenarios. Any deeper conversation would need to occur offline.

Ms. Kuiper mentioned that in 2017, carriers will be supporting a bill in Maryland (and other states) that requires drug manufacturers of drugs that cost more than $10,000 per year to report on the various costs with respect to the drugs, including marketing costs. The carriers are supporting the effort to try and drill down on why some drug prices have risen so dramatically in the last few years.

Ms. Curtis asked the question with respect to a drug co-insurance, does the tool show a percentage or a dollar amount? Mr. Ellsworth said that a percentage is shown.

Dr. Ahaghotu said that the tool does not reflect mid-year formulary changes. He asked how often does that happen, and how do we keep the information as up to date as possible. Mr. Ellsworth said that the tool has not been in production long enough to know what the update cycle is, but the processes used would expect updates from the exchange as soon as the exchange has it. CC does not have direct carrier feeds.

Mr. Chandrasekaran asked if the tool could accommodate the hybrid situation that has arisen in other states, but not here, yet, where the consumer has a coinsurance on top of a dollar amount minimum, e.g., 25% coinsurance after a $200 minimum. Mr. Ellsworth said the model can accommodate that situation.

Ms. Curtis said as soon as the tool was active, should would send a link to the Board members so they could experiment with the tool.

Ms. McAndrew thanked Mr. Ellsworth and CC for all its work.

VII. **Closing Remarks and Adjourn**, *Claire McAndrew, Vice-Chair*

The meeting adjourned at 10:54 a.m.